

**Michigan Economic Growth Authority (MEGA)**  
**Michigan Economic Development Corporation**  
**Brownfield Redevelopment SBT Credit Application – PART I**

**This application is in two parts:**

- To begin the application process, Part I should be submitted for review by MEDC staff. This review will determine if state-level brownfield incentives will be supported. Those projects that are authorized to proceed to full application will receive an Application Invitation Letter and Part II of the Application. This process replaces the Notice of Intent (NOI) process used previously.
- If an Application Invitation Letter is issued for the project, the applicant should proceed with the requirements for an administratively complete application.

**REQUIREMENTS FOR PROJECT REVIEW & CONSIDERATION – APPLICATION PART I**

- Part I of the Application
- Demonstration of Property Eligibility as follows:
  - ☐ Contaminated Facility: Phase I BEA for the subject property. Phase II BEA will be required with Part II of the Application.
  - ☐ Functionally Obsolete: Must be located in a Qualified Local Governmental Unit. A statement from a Level III or IV assessor attesting to functionally obsolete status per 126.2652(p) must be attached. The affidavit should include information that supports the functionally obsolete determination such as: market value/rent per square foot of surrounding property IN USE vs. value/rent of the building in question; original purpose of building vs. current use; design deficiencies, etc. Highest and best use is not a deciding factor when determining functional obsolescence.
  - ☐ Blighted: Must be located in a Qualified Local Governmental Unit. A statement explaining how the property meets the standard for blighted property per 126.2652(e) must be attached.
- Pictures of the Site
- Detailed maps of the project showing parcel boundaries, project boundaries, existing and proposed building locations, and brownfield boundaries, if near the project site

**REQUIREMENTS FOR INVITED PROJECTS – APPLICATION PART I & PART II**

Applications must be administratively complete before they will be fully considered for credit. An original and two copies of the following items must be included:

- Part I and Part II of the Application, fully completed, with the seal of the municipal clerk affixed
- Proof of Ownership or Lease of the Eligible Property
- Approved Brownfield Plan designating the eligible property
- Resolution approving the Brownfield Plan
- Map identifying any other eligible property named in a Brownfield Plan in the city, village, or township
- Itemized Lists of Eligible Investments, by Category
- 3 years audited financial statements for each qualified taxpayer listed. If a qualified taxpayer cannot provide three years of financial statements, the following items must be attached:
  - ☐ An explanation of why financial statements are not available
  - ☐ Alternate information describing the financial capacity of each qualified taxpayer or of affiliated entities that will assume financial responsibility for the items detailed in the Eligible Investment section. Provide any other information needed to support a conclusion that each qualified taxpayer is financially sound.
- A schedule identifying the sources and uses of funds necessary to complete the project, including return on investment (ROI).
- Projection of operating expenses and income for the project for a sufficient number of years to demonstrate the project's economic viability. Provide any other information needed to support a conclusion that the project is economically sound.

**FEES - A non-refundable application fee is required with Part II of the application.**

**For Credits \$1 million or less** - A non-refundable application fee of \$2,500 shall be submitted with the Application prior to consideration of an award by the MEGA chairperson. A check payable to the **Michigan Strategic Fund** must accompany this completed application if the application is to be considered administratively complete. Prior to the issuance of a Certificate of Completion or a Component Certificate, an Administrative Fee of 1 percent of the amount of the pre-approval credit amount is due. The application fee will be applied to this fee, and will reduce the amount due.

**For Credits greater than \$1 million** - A non-refundable application fee of \$5,000 shall be submitted with the Application prior to consideration of an award by the MEGA. A check payable to the **Michigan Strategic Fund** must accompany this completed application if the application is to be considered administratively complete. An Administrative Fee of ½ of 1 percent of the amount of the pre-approval credit amount, up to \$100,000, also applies. One half of the Administrative fee must be paid when the pre-approval letter is issued. The balance is due one year after the date of the pre-approval letter. All remittances must be payable to the **Michigan Strategic Fund**.

**APPLICATION SUBMISSION**

*Submit the Application and required exhibits and attachments to:*

Michigan Economic Development Corporation  
Michigan Economic Growth Authority  
Brownfield Redevelopment  
300 North Washington Square  
Lansing, MI 48913

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|                                                                                                              |                                                                         |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Project Name/Working Title</b>                                                                            | <b>Eligible Property Address, City, Village, or Township and County</b> |
| <b>@water Lofts Northeast</b>                                                                                | 1461 E. Atwater Street and 1471 E. Atwater Street                       |
| <i>(this name should be used consistently in all project correspondence, including TIF related requests)</i> | Detroit, Wayne County                                                   |

**QUALIFIED TAXPAYER INFORMATION**

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualified Taxpayer #1</b> | 1. Qualified Taxpayer Legal Name (business entity to receive tax credit)                                                                                                                                                                                                                                                                                                                                                                    | 2. Employer Tax Identification Number (EIN)                                                                                                                                                                                                                                                                                                                    |
|                              | @ Water Lofts, LLC                                                                                                                                                                                                                                                                                                                                                                                                                          | 06-1767263                                                                                                                                                                                                                                                                                                                                                     |
|                              | DBA/Trade Name (where applicable)                                                                                                                                                                                                                                                                                                                                                                                                           | 3. Organization Type (check one)                                                                                                                                                                                                                                                                                                                               |
|                              | Address (Street/P.O. Box/City, State and Zip Code)                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/> Individual<br><input checked="" type="checkbox"/> Limited Liability Company or Corporation<br><input type="checkbox"/> Professional Corporation<br><input type="checkbox"/> S Corporation<br><input type="checkbox"/> Other Corporation<br><input type="checkbox"/> Partnership/LLC Partnership<br><input type="checkbox"/> Fiduciary |
|                              | 78 Watson<br>Suite 100<br>Detroit, MI 48201                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                |
| <b>Qualified Taxpayer #2</b> | 4. Do you own or lease the eligible property? If "Yes", check the selection that applies. If you do not own or lease the property, you are not a qualified taxpayer and are not eligible for this credit. Documentation verifying ownership or lessee status must be attached when filing Part II.                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                |
|                              | <input checked="" type="checkbox"/> Own <input type="checkbox"/> Lease                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                |
|                              | 5. Has the Michigan Department of Environmental Quality ever sued or issued a unilateral order to you pursuant to Article 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.201.01 to 324.201.42 to compel response activity on or to the eligible property, or expended any state funds for response activity on or to the eligible property and demanded reimbursement for those expenditures from you? |                                                                                                                                                                                                                                                                                                                                                                |
|                              | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes    If "Yes", you are not a qualified taxpayer and are not eligible for this credit.                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                |
| <b>Qualified Taxpayer #3</b> | 1. Qualified Taxpayer Legal Name (business entity to receive tax credit)                                                                                                                                                                                                                                                                                                                                                                    | 2. Employer Tax Identification Number (EIN)                                                                                                                                                                                                                                                                                                                    |
|                              | DBA/Trade Name (where applicable)                                                                                                                                                                                                                                                                                                                                                                                                           | 3. Organization Type (check one)                                                                                                                                                                                                                                                                                                                               |
|                              | Address (Street/P.O. Box/City, State and Zip Code)                                                                                                                                                                                                                                                                                                                                                                                          | <input type="checkbox"/> Individual<br><input type="checkbox"/> Limited Liability Company or Corporation<br><input type="checkbox"/> Professional Corporation<br><input type="checkbox"/> S Corporation<br><input type="checkbox"/> Other Corporation<br><input type="checkbox"/> Partnership/LLC Partnership<br><input type="checkbox"/> Fiduciary            |
|                              | 4. Do you own or lease the eligible property? If "Yes", check the selection that applies. If you do not own or lease the property, you are not a qualified taxpayer and are not eligible for this credit. Documentation verifying ownership or lessee status must be attached when filing Part II.                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                |
|                              | <input type="checkbox"/> Own <input type="checkbox"/> Lease                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                |
| <b>Qualified Taxpayer #3</b> | 5. Has the Michigan Department of Environmental Quality ever sued or issued a unilateral order to you pursuant to Article 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.201.01 to 324.201.42 to compel response activity on or to the eligible property, or expended any state funds for response activity on or to the eligible property and demanded reimbursement for those expenditures from you? |                                                                                                                                                                                                                                                                                                                                                                |
|                              | <input type="checkbox"/> No <input type="checkbox"/> Yes    If "Yes", you are not a qualified taxpayer and are not eligible for this credit.                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                |
|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                |

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| <b>GENERAL PROJECT INFORMATION &amp; DESCRIPTION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                               |                                      |                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------|-------------------------------|
| <b>Project Contacts</b> - The Qualified Taxpayer authorizes MEGA staff to discuss the specifics of this project with these contacts.<br><b>Contacts must include one company contact and one local brownfield redevelopment authority contact.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                               |                                      |                               |
| Name & Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Address                                       | Telephone & Fax                      | E Mail Address                |
| Dwight E. Belyue, Member,<br>Belmar Development Group,<br>LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 78 Watson, Suite 100<br>Detroit, MI 48201     | P (313) 833-3600<br>F (313) 832-7920 | dbelyue@belmardevelopment.com |
| Mariangela Pledl, Associate<br>Director, Brownfield<br>Redevelopment Associate<br>Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 500 Griswold, Suite 2200<br>Detroit, MI 48226 | P (313) 963-2940<br>F (313) 963-8839 | mpledl@degc.org               |
| Corey Leon, Director,<br>Development and Rehabilitation<br>Incentives Unit, AKT Peerless                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 607 Shelby, Suite 900, Detroit MI 48226       | P (313)962-9353<br>F (313) 962-0966  | leonc@aktpeerless.com         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |                                      |                               |
| <b>Applicant Information</b> - Describe the type of business, principal product or service, and give a brief history of the applicant(s) and parent corporate holding company, if any.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                               |                                      |                               |
| The applicant is a single-purpose entity created to complete the development. It is led by Dwight Belyue who has completed several residential and mixed-use development projects throughout Detroit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               |                                      |                               |
| <b>Provide a descriptive summary of the project, including the following information:</b><br>- For a manufacturing project, a description of the product or service to be provided<br>- For retail, commercial, residential or mixed use projects, a description of the purpose or use and size of the development. If mixed use, include the percentage of the mixed uses.<br>- The location of the proposed project (city, village, or township AND county)<br>- Whether the operation or development will be new, renovated, or an expansion of an existing operation or development<br>- The total number of permanent full-time jobs to be added as a result of the project (excluding construction and other indirect jobs)<br>- The average hourly wage of the new permanent full-time jobs at the project<br>- The total capital investment anticipated<br>- The total eligible investment anticipated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                               |                                      |                               |
| <p>@water Lofts Northeast ("the project") will be the second of a three-phased development and will be recognized as one of Detroit's premier neighborhoods, providing street-level retail space, and mid-rise residential units. The site offers easy access to the state's first urban park and dedicated park space located to the east. The project will provide mid-rise residential towers and retail areas on the ground floors. A public/private parking structure (~ 349,857 square feet) is also a part of the proposed development.</p> <p>The subject property is located at 1461 and 1471 E. Atwater Street (Ward 07 Item number 000007 and Ward 07 Item number 000008) in Detroit, Wayne County. The property is adjacent to the proposed @water Lofts South Development in Detroit's East Riverfront District. The subject property is approximately 3 acres in size and was previously occupied by industrial facilities.</p> <p>The available retail space for new business is projected to provide between 60 and 90 fulltime service jobs and between 15 and 25 fulltime management and administrative positions. The fulltime jobs that are expected to result from this development are subject to the City of Detroit's Living Wage Ordinance which requires the minimum hourly wage of an employee with fully paid comprehensive family medical coverage to be paid \$10.00/hr and \$12.50 without coverage.</p> <p>The total capital investment for this project is estimated at ~ \$67 million. The estimated eligible investment is \$50,367,855.</p> |                                               |                                      |                               |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>PROPERTY ELIGIBILITY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |                                                                                                                                                                                                                                             |                                               |
| <p><b>Contamination</b> – To the extent known, estimate the level and extent of contamination that will be alleviated by the Qualified Taxpayer's eligible activities. How much will due care and/or remediation costs associated with the project cost? Will a responsible party directly or indirectly benefit from this project? Will there be financial assistance for these activities? Are you also applying for a Brownfield TIF or other assistance? Include any information that is pertinent to environmental activities.</p>                                                                                                      |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a industrial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be a facility as defined by Act 381. Five subsurface soil samples, two surface soil samples, and three groundwater samples were collected at 1461 E. Atwater. Please see the attached documentation qualifying the Property as a facility.</p>                                                                                          |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>The Developer is completing a Phase I Environmental Site Assessment (ESA), a Phase II ESA, a Baseline Environmental Site Assessment (BEA), a due care plan, and additional response activities to address the current environmental conditions on site in order to satisfy all compliance requirements. TIF will be utilized to the extent available to offset these costs.</p>                                                                                                                                                                                                                                                           |                                    |                                                                                                                                                                                                                                             |                                               |
| <b>Reuse or Redevelopment of Functionally Obsolete or Blighted Property</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>Will the project result in the reuse of vacant buildings or redevelopment of functionally obsolete or blighted property?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                    | <p><input type="checkbox"/> No      <input checked="" type="checkbox"/> Yes, explain:</p> <p>1. What makes the property blighted or functionally obsolete</p> <p>2. How and to what extent the project will alleviate these conditions.</p> |                                               |
| <p>The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a industrial purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be blighted as defined by Act 381. The Property meets the definition of blighted because it is a tax reverted property owned by a qualified local governmental unit (The City of Detroit).</p>                                                                                                                                          |                                    |                                                                                                                                                                                                                                             |                                               |
| <b>PROJECT DETAILS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>Date the Eligible Activity on the Eligible Property Began or the Estimated Date it Will Begin Pursuant to the Brownfield Plan</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                    | <p>Estimated Date Planned Eligible Investment Will Begin on Project</p>                                                                                                                                                                     |                                               |
| <p>Spring 2010</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                    | <p>Spring 2010</p>                                                                                                                                                                                                                          |                                               |
| <p>Estimated Date of Completion of the Project (as described in the Project Description)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                    | <p>Spring 2012</p>                                                                                                                                                                                                                          |                                               |
| <b>Manufacturing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Jobs Created                       | Jobs Retained                                                                                                                                                                                                                               | Average Hourly Wage                           |
| <b>Commercial/Retail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Jobs Created      90-100           | Square Footage      ~21,000                                                                                                                                                                                                                 | Average Hourly Wage      \$10-12.50           |
| <b>Housing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Type of Units      mid-rise towers | Number of Units      ~167                                                                                                                                                                                                                   | Rental or Purchase Price      \$285 per sq ft |
| <b>Other</b> (explain)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>Document the basis of your employment estimates, and explain the temporary or permanent nature of jobs created.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>The formula used in calculating the aforementioned estimates is based on the business types proposed for the development and assumptions made for the number of employees per square foot. It is assumed that an average of 5 employees will be hired for every 1,000 square feet of restaurant space and 3.3 employees for 1000 feet of retail/commercial space. Our average employee assumption for this development is, 4.15 employees per 1000 feet of restaurant / commercial space.</p>                                                                                                                                             |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>According to the City of Detroit's Living Wage Ordinance, any employee of a city contractor or grantee shall receive an hourly wage rate which on an annual basis (based on forty hours per week, fifty weeks per year) is equivalent to either one hundred and twenty five percent of the federal poverty level; or one hundred percent of the federal poverty level; if health benefits are provided to the employee.</p>                                                                                                                                                                                                               |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>Will any of these jobs be relocated from another location?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                    | <p><input checked="" type="checkbox"/> No      <input type="checkbox"/> Yes – Enter the address of the other location(s) affected</p>                                                                                                       |                                               |
| <p> </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    |                                                                                                                                                                                                                                             |                                               |
| <p>Will an unknown lessee create any of these jobs?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    | <p><input type="checkbox"/> No      <input checked="" type="checkbox"/> Yes</p>                                                                                                                                                             |                                               |
| <p>Is the eligible property located in an area of high unemployment?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    | <p><input type="checkbox"/> No      <input checked="" type="checkbox"/> Yes - Describe the extent of unemployment</p>                                                                                                                       |                                               |
| <p>According to the Michigan Department of Labor and Economic Growth, Office of Labor and Market Information, the annual average unemployment rate in January of 2006 for the County of Wayne was 8.9%, and 14.5% in the City of Detroit. At the same time, the State of Michigan experienced a rate of unemployment of 7.1%. According to the Bureau of Labor Statistics report for January 2006, surrounding counties recently experienced a rate of unemployment much less severe than the City of Detroit, including Oakland County at 6.1%, Monroe County at 6.5%, and Macomb County at 7.2%.</p>                                       |                                    |                                                                                                                                                                                                                                             |                                               |
| <p><b>Other Development Plans</b> - If the project is part of a larger development (e.g., the investment has already begun or will be completed in stages), provide a description of the larger development. Include the following information in your description of the larger development:</p> <ul style="list-style-type: none"> <li>- The stage in which the eligible investment identified in this application will occur</li> <li>- Whether future development will depend on or benefit from the eligible investment identified in this application. If future development is dependent, describe how and to what extent.</li> </ul> |                                    |                                                                                                                                                                                                                                             |                                               |

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@water South and Northwest is the continuation of the development described in this application and is comprised of two additional phases on the north and south side of Atwater between Riopelle and Rivard. The phases will be broken up into 1) @water South, mid-rise towers and ground floor retail, and @water Northwest, a 330,000 squarefoot structure, both of which will contain mixed uses and market rate residential.

Eligible investments for each component of the total development are phase specific. Timing and funding of the additional phases is based on the success of the first phase.

# Michigan Economic Growth Authority (MEGA)

## Michigan Economic Development Corporation

### Brownfield Redevelopment SBT Credit Application – PART I

**Approved Brownfield Plan** – Is the project area part of an approved brownfield plan? ☐ Yes ☒ No – Local Brownfield Redevelopment Authority must approve the Brownfield Plan before submission of Part II

**Designated Zone** – Is the property located in an enterprise zone, renaissance zone, federally designated empowerment zone, rural enterprise or enterprise community? ☒ No ☐ Yes - Which type of zone?

**Other Michigan Property** - Are you moving or will you be moving from another location in this state within the next 5 years as a result of the eligible investment? ☒ No ☐ Yes – Enter the address of the property from which you are moving

If moving from another Michigan property, has a new owner or occupant of that property been identified? ☐ No – Why will your former location not become blighted or functionally obsolete? Do you have clean-up responsibility? ☐ Yes – Identify the new owner or occupant

Not Applicable

Was another site also considered for the project? ☒ No – Why was this site selected? ☐ Yes – Describe the alternate site(s) and the incentives for those alternatives.

This proposed development is an intricate component of Detroit's comprehensive plan for the redevelopment of Detroit's East Riverfront, which extends from Joe Louis Arena to the Belle Isle Bridge. In late 2005, the City of Detroit issued a request for proposals to develop this site for residential and commercial use. The developer satisfied the requirements of this request on the basis of a superior proposal and a proven commitment to address the effects of disinvestment in the City of Detroit.

**Public Benefit** - Describe the overall benefit to the public that will result from completion of this project.

During the past eight years, the City of Detroit and General Motors (GM) have been the visionary champions of Detroit's East Riverfront. Commissioned in 2002 by the City of Detroit, Cooper Robertson Associates created a master plan for the East Riverfront District, providing the guiding principals for infill development. More recently, the City of Detroit and GM have assembled a group of private corporations, foundations and governmental stakeholders to form the Detroit Riverfront Conservancy. The goal of the conservancy is a creation of the Detroit Riverwalk, a pedestrian and bicycle pathway that will provide unrestricted public access to the Detroit River from Hart Plaza to Belle Isle. The transformation of Detroit's East Riverfront District has been envisioned, and is being executed, on a scale rarely seen before. @water Lofts will be the nexus of the East Riverfront District. Strategically, the site will serve as a vital activity center along Atwater Street, linking the outdoor GM Plaza and Promenade with the Tri-Centennial State Park and Harbor. The link between this development and the master plan will create an anchor development of a 24-hour urban neighborhood where residents can live, work, and play. This reclaimed waterfront industrial redevelopment is seen as the new core of this area and it will set a standard to promote further growth within the district.

The proposed development is important to the State of Michigan and the City of Detroit. By introducing attractive space for retail and commercial uses, the project will provide living wage employment opportunities for Detroit residents which will help redress the City's high unemployment rate.

The residential component of the @water project will provide attractive market rate housing alternatives for residents that would otherwise move to competing markets both in and out of state.

**Other Factors** – The applicant may provide any other information that should be considered in evaluating this project.

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| <b>ELIGIBLE INVESTMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                     |                                        |
| Will the project include an unknown lessee who will be making eligible investments?                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/> Yes        | <input checked="" type="checkbox"/> No |
| <b>Projects with eligible investments \$10 million or less:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     |                                        |
| Is this a multi-phase project as defined in MCL 208.38g(33)(h)?                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <input type="checkbox"/> Yes        | <input checked="" type="checkbox"/> No |
| If so, check the project type that applies                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <input type="checkbox"/> Industrial | <input type="checkbox"/> Manufacturing |
| <b>Investment Details and SBT Credit Request</b> - Note that only investment made by qualified taxpayers or lessees is eligible for a credit. To the extent any investment is reimbursed by another party, it will not qualify for a credit. If investment by a lessee is included in the project, the project will not be complete until that investment is complete. If the lessee's investment is not included in the project, the lessee will not be eligible for credit for any investment that they make. |                                     |                                        |
| To enter information in Excel, double click the table below:                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     |                                        |

| INVESTMENT CATEGORY                                                                                                                 | NAME OF QUALIFIED TAXPAYER MAKING ELIGIBLE INVESTMENT | ESTIMATED COST OF ELIGIBLE INVESTMENT |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------|
| <b>Phase I Eligible Investments</b>                                                                                                 |                                                       |                                       |
| A. Demolition of Buildings                                                                                                          |                                                       |                                       |
| B. Site Improvements                                                                                                                |                                                       | \$326,271                             |
| C. New Construction                                                                                                                 |                                                       | \$50,041,584                          |
| D. Restoration, Alteration, Renovation & Improvement of Buildings                                                                   |                                                       |                                       |
| E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker) |                                                       |                                       |
| Purchased Machinery & Equipment & Fixtures                                                                                          |                                                       |                                       |
| Leased Machinery & Equipment & Fixtures                                                                                             |                                                       |                                       |
| <b>Phase I Eligible Investment Subtotal</b>                                                                                         |                                                       | <b>\$50,367,855</b>                   |
| <b>Phase II (for multi-phase projects only)</b>                                                                                     |                                                       |                                       |
| A. Demolition of Buildings                                                                                                          |                                                       |                                       |
| B. Site Improvements                                                                                                                |                                                       |                                       |
| C. New Construction                                                                                                                 |                                                       |                                       |
| D. Restoration, Alteration, Renovation & Improvement of Buildings                                                                   |                                                       |                                       |
| E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker) |                                                       |                                       |
| Purchased Machinery & Equipment & Fixtures                                                                                          |                                                       |                                       |
| Leased Machinery & Equipment & Fixtures                                                                                             |                                                       |                                       |
| <b>Phase II Eligible Investment Subtotal</b>                                                                                        |                                                       | <b>\$0</b>                            |
| <b>Phase III (for multi-phase projects only)</b>                                                                                    |                                                       |                                       |
| A. Demolition of Buildings                                                                                                          |                                                       |                                       |
| B. Site Improvements                                                                                                                |                                                       |                                       |
| C. New Construction                                                                                                                 |                                                       |                                       |
| D. Restoration, Alteration, Renovation & Improvement of Buildings                                                                   |                                                       |                                       |
| E. Addition of Machinery, Equipment & Fixtures (include only the cost of new M&E and/or M&E purchased from a used equipment broker) |                                                       |                                       |
| Purchased Machinery & Equipment & Fixtures                                                                                          |                                                       |                                       |
| Leased Machinery & Equipment & Fixtures                                                                                             |                                                       |                                       |
| <b>Phase III Eligible Investment Subtotal</b>                                                                                       |                                                       | <b>\$0</b>                            |
| <b>TOTAL ELIGIBLE INVESTMENTS</b>                                                                                                   |                                                       | <b>\$50,367,855</b>                   |
| <b>SBT CREDIT REQUEST (cannot exceed 10 percent of Total Eligible Investments)</b>                                                  |                                                       | <b>\$5,036,786</b>                    |

|                                                                                                  |                             |                                                                 |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------|
| <b>Other Private Sector Contributions</b> - Other than the investment identified in the Eligible | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes – Please describe below |
|--------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------|



**Michigan Economic Growth Authority (MEGA)**  
**Michigan Economic Development Corporation**  
**Brownfield Redevelopment SBT Credit Application – PART I**

|                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                          |                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment section, will there be any other private sector contribution to the project?                                                                                                                                                                                                                                                                                                                                                  |                                                          |                                                                                                                                                                                                                                                                                         |
| The property is a contribution to the project estimated at \$1,180,032. There are also an additional \$15 million plus in other expenses such as property taxes during construction, permanent mortgage fees, mortgage insurance fees, marketing and public relations, general& administrative costs, legal and other overhead.                                                                                                          |                                                          |                                                                                                                                                                                                                                                                                         |
| <b>Government Assistance or Special Designation</b> - List the type and dollar amount of any local, state or federal incentives associated with this project, including grants, loans, tax abatements and tax increment financing.                                                                                                                                                                                                       |                                                          |                                                                                                                                                                                                                                                                                         |
| The Detroit Wayne County Port Authority provided funding in the form of a grant for predevelopment activities which include a Phase I ESA, a Brownfield Plan, the SBT Application Part I and II, and the NEZ District application. The total amount of assistance to date is approximately \$36,000.                                                                                                                                     |                                                          |                                                                                                                                                                                                                                                                                         |
| The Developer is submitting a MEGA and MDEQ 381 Work Plan to provide TIF for eligible activities at the Property. The amount of TIF eligible activities (including administrative fee's and local revolving loan) being requested at this time is \$4,978,852. MEGA funded eligible activities account for 37.48% of the total; and MDEQ funded eligible activities account for 62.52% of the total eligible activities for the project. |                                                          |                                                                                                                                                                                                                                                                                         |
| Also, the developer expects to have full support of the City and State in his effort to obtain a Neighborhood Enterprise Zone designation.                                                                                                                                                                                                                                                                                               |                                                          |                                                                                                                                                                                                                                                                                         |
| <b>Project Financing</b> – Explain the sources and uses of the financing that will be used to support the project. Attach additional pages, if needed.                                                                                                                                                                                                                                                                                   |                                                          |                                                                                                                                                                                                                                                                                         |
| See attached Sources and Uses                                                                                                                                                                                                                                                                                                                                                                                                            |                                                          |                                                                                                                                                                                                                                                                                         |
| If the credits requested are greater than the applicant's Single Business Tax liability, explain how the credits will be used.                                                                                                                                                                                                                                                                                                           |                                                          |                                                                                                                                                                                                                                                                                         |
| The credits would be transferred to an entity through a syndicate at a discount in exchange for much needed cash equity.                                                                                                                                                                                                                                                                                                                 |                                                          |                                                                                                                                                                                                                                                                                         |
| Does the project site have brownfield related activities or costs that you would not encounter on a greenfield site?                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> No – Why are incentives needed? | <input checked="" type="checkbox"/> Yes – Describe the brownfield related activities and provide itemized estimates of the cost to address each of those items. These costs and any other issues you choose to discuss below will be considered when reviewing your incentives request. |

**Michigan Economic Growth Authority (MEGA)**  
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**Brownfield Redevelopment SBT Credit Application – PART I**

The developer will experience costs above and beyond vertical development as a result of remediation relative to contamination and fill material and foundations left over from former industrial structures that have been demolished. The estimated cost for MEGA eligible activities related to the site as a brownfield is approximately \$1,097,371. The MDEQ related estimated cost of environmental cleanup and remediation at this time pending further investigation is \$1,830,685. TIF will be utilized to the extent available to offset these costs.

|                            |                      |                         |                  |
|----------------------------|----------------------|-------------------------|------------------|
| <b>FOR OFFICE USE ONLY</b> | Date Received        | MEGA Project Specialist |                  |
|                            |                      |                         |                  |
| <b>Application Number</b>  | Response Letter Date | Project Number          | Parcel Number(s) |
|                            |                      |                         |                  |